

IN THE

United States Court of Appeals

FOR THE NINTH CIRCUIT

*Swing Crest Company, a corporation, THOMAS A.
STUBBLEFIELD, JAMES F. BROOKS, and JOHN H. HAN-
COCK,*

Appellants,

vs.

*Amusement Beauty Parlor, Inc., a corporation and
O'DONNELL T. STALL,*

Appellees.

APPELLEES' BRIEF.

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No. 22,679
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SPRING CREST COMPANY, a corporation, THOMAS A.
STUBBLEFIELD, JAMES F. BROOKS, and JOHN H. HAN-
COCK,

Appellants,

vs.

AMERICAN BEAUTI PLEAT, INC., a corporation and
ORVILLE T. STALL,

Appellees.

APPELLEES' BRIEF.

Introduction.

For the Court's convenience, Appellees will use the same record designations selected by Appellants, viz., "Tr." for the clerk's transcript or original papers filed in the District Court, and "R." for the reporter's transcript of the proceedings.

The parties will oftentimes be referred to herein as "Plaintiff" or "Defendant", as in the Trial Court. The plaintiffs are the appellants herein, and the defendants are the appellees.

All emphasis in this brief are Appellees', unless otherwise noted.

Because the new Federal Rules of Appellate Procedure are presently in effect but Appellants' Brief was filed before the effective date of the new Rules, Appellees will endeavor to comply with the new Rules, but, at the same time, respond to the points in Appellants' Brief in the same order in which they have been raised.

Counterstatement of the Case.

With the exception of the last sentence in Finding of Fact 21 [Tr. 275], the plaintiffs have not listed in their Specification of Errors any of the other sixty-one Findings of Fact [Tr. 270] which the Trial Court relied upon to support the Conclusions of Law adjudging claims 1 through 4 of patent No. 3,090,431 to be invalid and the plaintiffs to be guilty of patent misuse. Because these uncontested Findings of Fact will be referred to from time to time in Appellees' Brief, said Findings and the Conclusions of Law based thereon are reproduced in the "Appendix" at the end of this Brief. They will be referred to by paragraph number and the word "Appendix".

Defendants adopt the aforementioned uncontested Findings of Fact (Appendix) as their counterstatement of the facts relevant to the issues presented for review, and, in this portion of their brief, will limit the statement of additional "facts" to correcting errors in Appellants' Brief and providing a more complete statement of various of the "facts" to which the plaintiffs have referred.

The evidence regarding the sending of notices of infringement in behalf of the plaintiffs is found at Tr. 271, paragraph 7, and not at R. 272. The first notice of infringement [R. 165] charged the defendant Stall

with infringement of the entire patent in suit, and requested that he discontinue the manufacture and sale of *glides* coming within the scope of such patent. Claims 1 and 2 of the patent in suit [Ex. 1] are directed to the glider *per se*, and therefore the plaintiffs are the ones who caused the validity of these claims to be placed in issue.

The defendants continuously took the position that the validity of claims 1 and 2 was in issue, beginning with their Counterclaim [Tr. 17] and continuing through the trial of the action. The prayer of the Counterclaim [Tr. 18] specifically asked that patent No. 3,090,431 and each and every claim thereof be adjudged invalid and void.

When Plaintiffs' counsel represented to the Court in his opening statement that claim 3 was the only claim in issue [R. 10], Defendants' counsel promptly advised the Court [R. 11] that the validity of all of the claims was in issue.

The patent misuse issue was raised by the defendants for the first time in Defendants' Pre-Trial Statement [Tr. 107, pars. 38, *et seq.*] . . . some eleven months prior to trial . . . because this information was first obtained by the defendants after their Answer and Counterclaim had been filed.

Plaintiffs never took the position that this patent misuse issue was not properly before the Court, but, instead, agreed to include in the Stipulation of Facts Agreed Upon [Tr. 6] *forty-four paragraphs* relating to this very patent misuse issue [Tr. 219, par. 12, through Tr. 227, par. 56].

At the conclusion of the trial and after hearing oral argument, the Court stated that there was no invention

[R. 668] and instructed the defendants to prepare the findings.

When Defendants asked the Trial Court if it cared to make a finding on patent misuse, the Court answered in the negative, but after further discussion of the misuse issue, placed the burden on the defendants to prepare suitable findings of fact [R. 669]. The Findings of Fact adopted by the Court includes eleven paragraphs on the misuse issue [Tr. 285, *et seq.*], *none of which is disputed by the plaintiffs*. Plaintiffs' only specification of error regarding the patent misuse issue is the Conclusion of Law holding that the plaintiffs are guilty of patent misuse (Appendix, par. XI).

Summary of Argument.

It is somewhat difficult to respond in a systematic manner to all of the plaintiffs' contentions regarding the "facts" because they have been spread throughout Appellants' Brief, and are oftentimes repeated under the various headings.

To reduce the number of pages required to be read by this Court and in an effort to avoid a repetition of the relevant facts, Appellees will summarize their argument in the following portion of this section and then proceed directly to a discussion of the Specification of Errors and the detailed arguments relating thereto beginning at page 16 of Appellants' Brief.

The Trial Court applied the appropriate rules of law to the established facts, and the uncontested facts clearly support the conclusions of law based thereon. *Plaintiffs are contesting only a single sentence in one finding of fact, out of a total of sixty-one findings of fact.*

The Trial Court understood Plaintiffs' position and arguments during the trial of this action regarding combination claims which include all old or both old and new elements, and read both of the cases on this point which were called to the Court's attention by the plaintiff [R. 294, 637].

The question of whether a claim could be valid if all of the elements therein were old, was also discussed among the Court and counsel [R. 195-197]. The Court specifically inquired of Defendants' counsel if such a claim could be valid, and the latter answered in the affirmative [R. 198].

The Trial Court did make statements before all of the testimony had been taken, to the effect that the plaintiffs' glide was beneficial and appeared to be an advance in the art, but such attributes . . . like commercial success . . . are not a substitute for invention where on the entire record, invention is clearly lacking.

As stated by this Court in *Griffith Rubber Mills v. Hoffar*, 313 F. 2d 1, 3 (9 Cir. 1963):

“It follows that though a device may be new and useful it is not patentable if it consists of no more than a combination of ideas which are drawn from the existing fund of public knowledge, and which produces results that would be expected by one skilled in the art.”

The Stubblefield glide of the patent in suit has not replaced the prior ceiling glide [Ex. F], the prior button glide [Ex. G], nor the prior Wilcox snap-in glide [Ex. W] for drapery installations. The latter continue to be sold in quantity [*uncontested* Finding of Fact 26, Appendix].

The Stubblefield glide of the patent in suit popped out of the ceiling track when the witness Lightenburger pulled on the drapes to which they were attached, as children do [R. 350].

The Stubblefield glide has the further disadvantage that the wire member for fastening the glide to the spring pleater and the drapery, breaks off and/or bends when the glides are being installed [Ex. AH], and the glide also drops off of the drapery [R. 343-345].

After carefully considering Plaintiffs' position as set forth in their Memorandum of Contentions of Fact and Law, the case law relied upon by the plaintiffs, and the established facts, the Trial Court properly found that each of claims 3 and 4 was invalid because there was no invention in attaching a form of glide of the type shown in Silverman [Ex. K] and Lounsbury [Ex. M] in the *same* holes in the old spring pleater and using it with the old track [R. 629-631, 668].

In *Hensley Equipment Company v. Esco Corporation*, 375 F. 2d 432 (9 Cir. 1967), the only case relied upon by the plaintiffs regarding claims 3 and 4, this Court affirmed the holding of the Trial Court that claim 8 was valid because the three old elements brought about a new result. In the present case, *uncontested* Findings of Fact 40, 41, 47 and 48 (Appendix) are that the three old elements operate in the same manner as the three elements of claims 3 and 4, *to achieve the same result.*

Plaintiffs charged the defendants with infringing all of the claims of the patent in suit by written notice and by the filing of the Complaint herein. The defendants also placed the validity of all of the claims in issue by their Counterclaim.

The Trial Court properly found claims 1 and 2, which are directed to a drapery glide *per se*, to be invalid as not amounting to an invention because there are many types of drapery glides and many types of pins, and the particular resilient pin attachment described in claims 1 and 2 was merely a change in degree for accomplishing the same result [*uncontested Findings of Fact 25, 26 and 27, Appendix*].

The Trial Court properly found that the plaintiffs were guilty of misuse regarding the patent in suit by requiring the payment of royalties by the licensee on both the patented glides and on numerous unpatented drapery hardware components used therewith.

The license agreement also required the patentee Stubblefield not to license or induce any other organization to manufacture, use or sell any of the patented or unpatented items, and not to engage in the manufacture, use or sale of any of such patented or unpatented items, and he refrained from so doing [*uncontested Findings of Fact 51-61, Appendix*].

Plaintiffs *have not cited a single case* in support of their contention that their acts did not amount to patent misuse, nor have they contested any of the cases referred to by the Court in Conclusion of Law XI (Appendix).

ARGUMENT.

1. The Issues Before This Court Are Solely Questions of Law by Plaintiffs' Own Choosing.

Although the Circuit Courts are primarily concerned with the application of the proper rules of law to the facts, a Circuit Court will consider whether the findings of fact are supported by the evidence, *provided* such issues are properly presented to it.

Appellants' Brief was filed prior to July 1, 1968, the effective date of the new Federal Rules of Appellate Procedure. At the time of the filing of Appellants' Brief, Court of Appeals Rule 18(2)(d) was in effect, which provided in part that the appellants' brief shall contain:

“In all cases a specification of errors relied upon which shall be numbered and shall set out separately and particularly each error intended to be urged.”

* * *

“. . . In all cases, when findings are specified as error, the specifications shall state as particularly as may be wherein the findings of fact and conclusions of law are alleged to be erroneous.”

Also, Court of Appeals Rule 18(3) provided, in part:

“When findings are specified as error in the appellant's brief, *and such specification is argued therein*, the appellee's brief shall contain record references to the evidence relied upon by appellee as supporting the challenged finding.”

The new Federal Rules of Appellate Procedure contain somewhat the same provisions in Rule 28(a)(2) by

requiring a statement of the issues presented for review.

In Appellants' "Specification of Errors" (page 5), No. 3 is the only one which refers to a finding of fact, and it concerns only the last sentence of Finding of Fact 21. As will be discussed more fully herein-after, this single sentence would not adversely affect the decision of the Trial Court even if it were assumed that it is not supported by the evidence.

A case in point on this question of specifying the errors of the Trial Court and the questions which the Circuit Court will review on appeal, is *Everest & Jennings, Inc. v. E & J Manufacturing Co.*, 263 F. 2d 254, 258 (9 Cir. 1958), wherein this Court stated:

"Before proceeding with the discussion of the points raised on this appeal, it should be pointed out that defendant in its statement of points to be relied upon on appeal has cited some 26 specifications of error, numbered I to XXVI. In its brief are set out and argued only those errors numbered XI to XVIII. Rule 18(2)(d) of this Court, 28 U.S.C.A., requires that 'in all cases' a brief shall contain 'a specification of errors relied upon which shall be numbered and shall set out separately and particularly each error intended to be urged.' *Failure to comply with this rule relieves this Court of considering the omitted errors, even if the errors are set forth elsewhere in the record.* Peck v. Shell Oil Company, 9 Cir., 1944, 142 F.2d 141. Therefore we will deal only with the specifications set forth in the brief."

Accordingly, by Plaintiffs' own choosing, there is no dispute as to any of the other findings of fact, and

the only issues before this Court are whether the Trial Court relied upon proper legal authorities and properly applied the established rules of law to these uncontested findings of fact.

2. The Trial Court Properly Held Claims 3 and 4 Invalid Because the Drapery Assembly Described Thereby Did Not Evidence Invention, and Because the Three Elements Listed Therein Did Not Bring About a New Result. (Specification of Error No. 1).

The statements of the District Court during the trial of this action and the Findings of Fact and the Conclusions of Law adopted thereby after carefully considering the established facts and the applicable law, show that the Trial Court understood Plaintiffs' position regarding combination-type claims 3 and 4 as well as the rules of law set forth in the two cases referred to by the plaintiffs.

The fact that the Trial Court clearly understood Plaintiffs' contentions regarding the interaction among the old track, the old spring pleater, and the purportedly new glides, is shown by uncontested Finding of Fact 33 (Appendix) and the transcript of proceedings beginning at page 629. Thus, after referring to statements contained in Plaintiffs' Memorandum of Contentions of Fact and Law, the Trial Court stated [R. 630-632]:

“As I see it, the only thing here that we have is this attaching the glides to the undulating spring pleater so that the glides would remain crosswise to the track. The question I ask is, is that invention? That is what we are coming down to, whether that is invention.

“Everything here is old in the art except possibly the glide that has been manufactured by the plaintiff.”

* * *

“The problem was how to keep the glides crosswise, and that was the problem, how to keep the glide crosswise.

“They solved this problem by attaching the glide to the undulating spring pleater which was old in the art. You remember just a moment ago I asked about the holes that were punched in the spring pleater, whether there was any claim made because of the location of the holes, and the witness said there was no claim made, there was nothing relative to the holes at all, and so it is the spring pleater that keeps the glides crosswise to the track and thereby keeps the glides from falling out.

“I think the question here is whether that was invention. I would be glad to hear from the plaintiff as to the question of invention. I am not interested in these other issues that have been raised, because I think that depends upon the Court’s evaluation of whether or not this was invention.”

* * *

“What did the combination do that was never done before?”

The ceiling track is admittedly an old and unchanged element. The spring pleater is an old and unchanged element. Prior glides have been fastened in the *same* holes in the old spring pleater and used with the old track to support draperies [*uncontested Findings of Fact 30-32, Appendix, and Appellants’ Op. Br. p. 19*].

During the trial of this action, the plaintiffs directed the Court's attention to the case of *Twentier's Research, Inc. v. Hollister Incorporated*, 319 F. 2d 898 (9 Cir. 1963). The Court promptly requested the bailiff to bring it to him [R. 294].

At page 901, the *Twentier's* case contains the following statement:

"There is no doubt that the validity of a patent must be measured according to whether or not it exhibits 'invention'. Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp., 340 U.S. 147, 71 S.Ct. 127, 95 L.Ed. 162 (1950). Mr. Justice Jackson, writing for the majority in that case, pointed out that the elusive concept of invention does not lend itself to affirmative definition, but that certain attributes of invention are essential to validity where the patent in question is for a combination of old elements. 'The conjunction or concert of known elements must contribute something; only when the whole in some way exceeds the sum of its parts is the accumulation of old devices patentable.' The elements must 'take on some new quality or function from being brought into concert.'

'The function of a patent is to add to the sum of useful knowledge.'"

It will be noted that the aforementioned *Twentier's* case uses the term "invention" in the broad sense, just as it was used by the Supreme Court in *Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp.*, 340 U.S. 147.

In like manner, the Trial Court in the present case . . . time after time, throughout the course of the trial . . . emphasized that regardless of whether the patented assembly were advantageous or desirable, the issue was whether it met the statutory requirements of "invention" [R. 195, 630, 631, 638, 644, 648 and 649].

The Trial Court was adequately advised during the trial and clearly understood that a claim could be valid even though all of the elements therein were old.

Thus, in discussions with Plaintiffs' counsel during the course of the trial, the Court stated that he assumed that one could take elements that are old in the art and combine them in such a way as to get a new and unexpected result, and consequently obtain a patent [R. 195-197]. The Trial Court also specifically inquired of Defendants' counsel regarding this same point, and counsel answered that this statement was correct [R. 198].

Plaintiffs are now relying solely on *Hensley Equipment Company, Inc. v. Esco Corporation*, 375 F. 2d 432 (9 Cir. 1967) as to claims 3 and 4, which case they also called to the Court's attention during the trial of this action, and which the Court read [R. 637].

In the *Hensley* case, all of the elements in both claims 8 and 9 of the Baer patent were old. This Circuit Court affirmed the holding of the District Court that only claim 8 was novel [valid?] because the three features of that claim coacted to bring about a new result.

The established and *uncontested* facts in the present case are to the contrary. Here, the old elements taken from the prior art operate in the same manner as the

three elements of claims 3 and 4, to achieve the same result [*uncontested* Findings of Fact 33-41, 43-48, Appendix].

The Trial Court properly held that claims 3 and 4 are invalid for lack of invention and because there was no change in operation or result from the use of the old elements.

3. The Trial Court Properly Held Claims 3 and 4 Invalid as Being Obvious to a Person Having Ordinary Skill in the Drapery Art. (Specification of Error No. 2).

During the trial, the District Court did state [R. 650] that at that time he was not interested in the ordinary skill in the art, but was interested in whether the attaching of the Plaintiffs' glide to the spring pleater is "invention" . . . thereby using the same broad but proper terminology as used by this Court in the *Twentier's* case, *supra*, to which the plaintiffs had referred, which, in turn was based on the language used by the Supreme Court in the *A & P* case, *supra*.

However, after the Trial Court had the opportunity to consider the testimony and the more recent case of *Graham v. John Deere Co.*, 383 U.S. 1, he adopted findings of fact and conclusions of law which correctly found and concluded that what the plaintiff Stubblefield had done would have been obvious to a person having ordinary skill in the drapery art [*uncontested* Findings of Fact 42 and 49, and Conclusions of Law VI, Appendix].

Actually, what the plaintiff Stubblefield did (and what the defendant Stall did) was but a short and obvious step beyond those steps taken by the witness Ed

Lightenburger. The latter was the real pioneer in the "close hook-up" development [R. 301-336].

In 1959, Mr. Lightenburger devised the first close hook-up type of drapery assembly and installed it in approximately 100 rooms of the Kaiser Foundation Hospital in Oakland, and the assembly operated very satisfactorily. This new assembly employed the conventional ceiling track, the conventional spring pleater, and the conventional plastic ceiling glides with wire eyelets, but instead of using the old pin-on hooks, Mr. Lightenburger used a "post and gripper" [Ex. R] to fasten the eyelets of the glides to the spring pleater [*uncontested Finding of Fact 14, Appendix*].

This was the first step in Mr. Lightenburger's development which eventually resulted in the plaintiff's glides and the defendants' glides.

In late 1959 or early 1960, Mr. Lightenburger engaged in further experimentation and made a set of new ceiling glides [Ex. S], each of which comprised a plastic glide or block which was supported in the conventional track, and a removable hook with a T-shaped head which could be inserted in a slot formed in the block and turned 90° to maintain the head of the hook in position. This construction operated satisfactorily and permitted the drapery material and the spring pleater to be attached to and disengaged from the blocks in the track by merely twisting the head of the hooks [*uncontested Finding of Fact 15, Appendix*].

This new concept of the blocks and the hooks, which were removed by twisting, was disclosed to the defendant Stall in early 1960, and in March 1960, Mr. Stall displayed the development to his distributors at a business

meeting in Las Vegas. Included in the group were the plaintiffs Hancock and Brooks [*uncontested Findings of Fact 16 and 17, Appendix*].

A few months after the meeting in Las Vegas, the plaintiffs Hancock and Brooks discussed the drapery glide situation with the plaintiff Stubblefield, and shortly thereafter Mr. Stubblefield conceived of the drapery glide of the patent in suit and which has a T-shaped head adapted to be inserted in the slot in the ceiling track and turned cross-wise thereof [*uncontested Finding of Fact 18, Appendix*].

In like manner, after the defendant Stall had seen the block and removable hook developed by Mr. Lightenburger, he cut from a flat piece of plastic, a drapery glide with a T-shaped head which was adapted to be inserted into the slot in the standard ceiling track and turned 90° to extend cross-wise of the slot in the track [*uncontested Finding of Fact 16, Appendix*].

Thereafter, in the early part of 1961, the defendant Stall ordered the production of the accused glides and sent some to Mr. Lightenburger who installed draperies using them, and who then sent some of them out to his dealers [R. 337-339; *uncontested Findings of Fact 19 and 20, Appendix*].

It is readily apparent that both the plaintiffs' patented glide and the defendants' accused glide, and the use thereof with a conventional spring pleater and a conventional ceiling track, stemmed from the Lightenburger developments and was but a short step forward which was obvious to a person having ordinary skill in the drapery art, *i.e.*, the plaintiff Stubblefield and the defendant Stall.

4. The Drapery Assembly of Each of Claims 3 and 4 Was Also Obvious in View of All of the Prior Art, Including Silverman Patent 2,320,308 and Lounsbury Patent 568,091. (Specification of Error No. 2).

The Stubblefield drapery glide of the patent in suit can be fastened to a conventional spring pleater and has a T-shaped head which was designed to be inserted through the slot of a conventional track and turned cross-wise.

The prior art Silverman patent [Ex. K] and the prior art Lounsbury patent [Ex. M], each discloses a drapery glide which can be fastened to a conventional spring pleater and which has a T-shaped head designed to be inserted through the slot in a track and turned cross-wise.

To achieve the drapery assembly of claims 3 and 4 of the patent in suit, Stubblefield glides were fastened to a conventional spring pleater in the *same holes* in which the prior glides had been fastened, and used with a conventional slotted track.

A drapery assembly of either Lounsbury glides as shown in Fig. 1 of Exhibit M or Silverman glides with the heads turned 90° [Ex. K] fastened to a conventional spring pleater in the *same holes* in which the prior glides have been fastened, and used with a conventional slotted track, operates in the same manner as the alleged combinations of claims 3 and 4 to achieve the same result [*uncontested Findings of Fact 40, 41, 47 and 48, Appendix*].

Exhibit AM is a “claim 3” drapery assembly employing the Silverman type glide, and Exhibit AO is a “claim

3" drapery assembly employing the Lounsbury type glide [*uncontested Findings of Fact 39 and 46, Appendix*].

Plaintiffs' counsel, who testified as a patent expert in his client's behalf, admitted that an assembly of Lounsbury glides as shown in Fig. 1 of Patent 568,091 [Ex. M] attached to an old type of spring pleater with old pin and gripper connectors, and used with an old track . . . would operate satisfactorily, would operate the same as the Stubblefield assembly shown in the patent in suit and as claimed in claim 3 thereof, and claim 3 of the patent would read on that assembly [R. 548-549].

Appellants are taking the position that Silverman and Lounsbury do not teach or suggest the use of a spring pleater. How could they; the spring pleater was first used with draperies after the issuance dates of said patents.

However, the question is not whether particular prior art patents teach or suggest the assembly defined by claims 3 and 4, but whether the alleged invention would have been obvious to a person having ordinary skill and who had constructive knowledge of *all* of the prior art.

The test to be applied as to obviousness was laid down in *Graham v. John Deere Co.*, 383 U.S. 1, and was set forth as follows in *Hensley Equipment Company v. Esco Corporation*, 375 F. 2d 432, 436 (9 Cir. 1960), the case upon which appellants are relying:

“The obviousness or nonobviousness of the subject matter of a patent presents a question of law. *National Lead Company v. Western Lead Products*

Company, 9 Cir., 291 F.2d 447, 450-451. However, that legal question is to be determined against a factual background with particular emphasis on three considerations, namely: the scope and content of the prior art, the differences between the prior art and the claims at issue, and the level of ordinary skill in the pertinent art. See Graham v. John Deere Co. of Kansas City, 383 U.S. 1, 17-18, 86 S.Ct. 684, 15 L.Ed. 2d 545.

“In Jeddelloh Brothers Sweed Mills, Inc. v. Coe Manufacturing Company, 9 Cir., 375 F.2d 85, decided November 23, 1966, but in which an amended opinion was filed today, we had occasion to review the above-stated principles. We noted that these principles are to be applied with special strictness in determining the patentability of mechanical combinations.”

In the present case, what is the scope and content of the prior art, and what are the differences between the prior art and the claims in issue?

The plaintiffs have admitted that prior to the alleged development of Stubblefield, various types of glides had been fastened with post and gripper connectors to the conventional spring pleater at the holes provided therein, and the assembly of glides and spring pleater used with conventional slotted ceiling track. Included among these prior glides are the Wilcox glide [Ex. W] which is designed to be inserted upward through the slot in the track, and “clipped” button glides [Ex. H] which are also adapted to be inserted upwardly through the slot in the conventional ceiling track [*uncontested Findings of Fact 30-32, Appendix*].

Other known prior art glide constructions include the aforementioned Silverman and Lounsbury type glides with the T-shaped heads, also designed to be inserted upwardly through the slot in a drapery track.

Thus, "the difference between the prior art and the claims in issue" (*Graham v. John Deere Co., supra*) is the substitution of other prior glides (Silverman and Lounsbury type glides) for and in place of other prior glides, in the *same* holes in the old spring pleater, for use with the old slotted track.

This substitution was obvious to both the plaintiff Stubblefield and to the defendant Stall, after Mr. Lightenburger's "close hook-up" developments.

Bearing in mind the special strictness regarding mechanical combinations referred to by this Court in the *Hensley Equipment Company* case, *supra*, relied upon by the plaintiffs, it is abundantly clear that the subject matter of claims 3 and 4 does *not* meet the statutory requirement of nonobviousness laid down by the Supreme Court.

5. Finding of Fact 21 Is Supported by the Evidence and Is Not Clearly Erroneous. (Specification of Error No. 3).

Prior to the trial of this action and the testimony of the plaintiff Hancock, the defendant Stall was unclear in his own mind as to the *specific date* when he first saw a specimen of the Stubblefield glide [R. 414-422].

However, after Mr. Hancock testified that he first showed the glide to Mr. Stall in April 1961, and after Mr. Stall located the documents [Exs. A and AJ] showing when his glide went to the mold maker [R.

425], his memory was refreshed and he testified in response to a question from the Court that he did *not* see the Stubblefield glide before he went to the mold maker with the accused glide [R. 427].

On redirect examination, Mr. Stall again testified that he first saw a Stubblefield glide in April 1961, and he first saw said glide *after* he took his own glide to the mold maker [R. 434].

Mr. Stall also contradicted the testimony of Mr. Steffen, a former employee of his who went to work with the plaintiffs, and testified that he had never handed a Stubblefield glide to Mr. Scheel in Mr. Steffen's presence [R. 627].

Rule 52(a) of the Federal Rules of Civil Procedure provides, in part:

“... Findings of Fact shall not be set aside unless clearly erroneous, and due regard shall be given to the opportunity of the trial court to judge of the credibility of the witnesses.”

The Trial Judge in this case is a senior District Judge with many years of experience in observing the demeanor of witnesses and in judging their credibility. He did *not* believe the testimony of Mr. Steffen, and did believe the testimony of the defendant Stall.

However, even if the defendant Stall had seen the Stubblefield glide before his own glide went to the mold maker, this would not prove that Mr. Stall had copied it. The defendant Stall was familiar with the work of Mr. Lightenburger with the plastic glide and hook with the T-shaped head [Ex. S], and had cut his own version of a T-shaped glide from a flat piece of

plastic [Ex. T] long before Mr. Stubblefield entered the picture [*uncontested Findings of Fact 15-18, Appendix*].

Furthermore, even if it were assumed (contrary to the evidence) that the accused glide had been copied from the Stubblefield glide, this would not establish invention as to the Stubblefield glide, where, as here, obviousness is clear. *Walker v. General Motors Corp.*, 362 F. 2d 56, 60 (9 Cir. 1966).

6. The Validity of Claims 1 and 2 Was Placed in Issue by the Complaint and the Counterclaim, and Remained in Issue Throughout the Discovery Period and the Trial of This Action. (Specification of Error No. 4).

The defendants never took the position that the validity of claims 1 and 2 was *not* in issue.

Plaintiffs' first charge of infringement, by a letter dated April 22, 1965, notified the defendant Stall that the plastic pin-on glides manufactured and sold by him infringed the patent in suit, and he was requested to discontinue the manufacture and sale "of glides coming within the scope of such patent" [R. 165]. Claims 1 and 2 cover the glide *per se*.

The Complaint alleged that the defendants infringed the patent in suit by the manufacture, or by the sale, or by the use of devices "utilizing the *inventions*" patented by said Letters Patent [Tr. 4].

The prayer of the Counterclaim [Tr. 18] specifically asked that each and every claim of patent No. 3,090,431 be adjudged invalid and void.

In answer to Defendants' Interrogatory No. 29, the Plaintiffs did *not* state that claim 3 was "the only

claim" alleged to be infringed by the Defendants [Tr. 50].

In Defendants' Pre-Trial Statement, one of the issues to be tried by the Court was stated to be: "Is patent 3,090,431, and particularly claim 3 thereof, valid?" [Tr. 108, par. 4].

In Plaintiffs' Memorandum of Contentions of Fact and Law, filed July 13, 1966 [Tr. 111], the plaintiffs contended that "the patent in suit" was infringed by the accused drapery supporting and pleating apparatus [Tr. 113, par. 6].

Finally, when Plaintiffs' counsel represented to the Court in his opening statement that claim 3 was the only claim in issue [R. 10], Defendants' counsel promptly advised the Court [R. 11] that the validity of all of the claims was in issue.

Du Bois Plastic Prod. v. United States Safety Service Co., 168 F. Supp. 944, referred to by the appellants (p. 40), is not in point because in it the plaintiff successfully sought the withdrawal from the action of certain specified claims in two patents promptly after the action was instituted. In the present case, the plaintiffs did not endeavor to exclude claims 1 and 2 from the action until the second day of the trial.

Yavitch v. Seewack, 323 F. 2d 561, cited by the plaintiffs (p. 41), is not in point because in it the Trial Court adjudicated the validity of a patent which was not placed in issue by the pleadings, by the Pre-Trial Order, or by the trial. In the present case, the validity of claims 1 and 2 was placed in issue by the Complaint, by the Counterclaim, and by Defendants' Pre-Trial Statement.

Emerson v. National Cylinder Gas Co., 251 F. 2d 152, 157, referred to by the plaintiffs (p. 41), is not in point because in the cited case there was no evidence that a concrete and definite controversy concerning claims 1 and 2 of the Sinnett patent existed between the parties. In the present case, the first notice of infringement sent in behalf of the plaintiffs notified the defendant Stall that his *glides* infringed the patent in suit. Also, the Complaint alleged that the defendants were utilizing the *inventions* (plural) patented by the patent in suit.

Peelers Company v. Kaakinen, 126 U.S.P.Q. 42, cited by the plaintiffs (p. 41), is also not in point because in it the original Complaint alleged the infringement of only specific selected claims in various patents. In the present case, the Complaint did not specify any particular claims, but, instead, alleged that the defendants were utilizing the inventions patented by Letters Patent No. 3,090,431.

The validity of claims 1 and 2 was placed in issue by the Claim and Counterclaim, and the plaintiffs did not endeavor to exclude these claims from consideration by the Trial Court until after the latter indicated [R. 96] that he did not believe a patent should be granted on a glide with a pin.

Accordingly, the Trial Court properly denied the plaintiff's oral motion, during the second day of the trial, to dismiss the portion of the Counterclaim relating to claims 1 and 2.

7. The Trial Court Properly Held Claims 1 and 2 to Be Invalid as Obvious in View of the Prior Art. (Specification of Error No. 5).

During the trial, many different types of drapery glides and connectors were identified and discussed by the various witnesses, and numerous exhibits introduced into evidence illustrating the constructions thereof [Exs. F, G, H, I, J, M, R, S, T, W, AM and AO]. Mr. Lightenburger, in particular, testified regarding various types of glides and connectors which he had used.

During the trial, Plaintiffs' counsel admitted [R. 97]:

“Of course a glide can be—not this glide, but any glide could possibly be attached in a thousand ways to a spring pleater.”

The defendant Stall testified without contradiction that the Stubblefield glide has a little different attachment to the drapery, but it accomplishes the same thing as the post and gripper and as the attachments shown in the Silverman and Lounsbury patents [R. 480, 501].

From the very beginning, the Trial Court indicated he was not favorably impressed as to the patentability of the glide alone [R. 93-96].

Uncontested Findings of Fact 23, 24, 25, 26 and 27 (Appendix) describe the subject matter of claims 1 and 2 and the many prior types of glides and types of pins for connecting glides to drapes or curtains. They also set forth the fact that the Stubblefield glide has not replaced the prior glides, and that the resilient pin attachment means defined by claims 1 and 2 is merely a change in degree for accomplishing the same

result accomplished by the prior glides and attachment means.

The aforementioned *uncontested* Findings of Fact clearly support the conclusion of obviousness and are detailed enough to inform this Court of the basis for such conclusion under the authorities cited by the appellants (p. 42).

The decision of this Court in *Welsh Co. of California v. Strolee of California, Inc.*, 313 F. 2d 923 (1963), relied upon by the appellants herein, is particularly interesting in view of a statement by Plaintiffs' counsel that any glide could be attached a thousand ways to a spring pleater [R. 97].

Thus, in the cited case, this Court held the patent in suit to be invalid, stating (1. c. 927) :

"There was no invention in what plaintiff did here in using the particular inverted U toggle bar, rather than any one of a dozen other means of stopping the pivotal movement. The U bar added strength and perhaps convenience to the entire device, and to this extent might be an improvement over previous devices but we do not think it invention, nor any sweeping or extraordinary result."

* * *

"We think the subject matter sought here to be patented, compared to the prior art, indicates clearly that the subject matter was obvious at the time the invention was made to a person having ordinary skill in the art to which the subject matter pertains. 35 U.S.C. § 103. It is the 'standard of invention' which controls."

The Trial Court herein properly found that claims 1 and 2 are invalid.

8. The Trial Court Properly Held That the Plaintiffs Were Guilty of Patent Misuse Regarding the Patent in Suit, and Therefore Not Entitled to Any of the Relief Requested. (Specification of Error No. 6).

The "Stipulation of Facts Agreed Upon" [Tr. 219-227] and *uncontested* Findings of Fact 51-61 (Appendix), set forth the facts regarding the license agreement and the list of patented and unpatented items [Ex. P] upon which the corporate plaintiff Spring Crest Company paid royalties to the individual plaintiffs Hancock, Brooks and Stubblefield, and the fact that the plaintiff Stubblefield agreed to refrain, and did refrain, from engaging in the manufacture, use or sale of the unpatented items listed in Schedule A of the agreement, and from inducing any organization other than Spring Crest to manufacture, use or sell any of such unpatented items.

Plaintiffs apparently contend that the payment of royalties on all of the unpatented components of drapery hardware and tools listed in Schedule A of the agreement, and the refraining by the plaintiff Stubblefield from competing in unpatented items, did not constitute patent misuse because said Stubblefield designed most of these items.

This argument overlooks the fact that the plaintiffs Brooks and Hancock, both of whom received royalty payments, did not participate in the design of the unpatented items.

It also overlooks the fact that a patent grant involves the public's interest, and that neither this Court, nor any other court, will aid litigants in a scheme to expand a patent beyond its legitimate scope.

This equity rule was set forth by the Supreme Court in *Mercoid Corp. v. Mid-Continent Invest. Co.*, 320 U.S. 661, as follows:

“Respondents ask the equity court for an injunction against infringement by petitioner of the patent in question and for an accounting. Should such a decree be entered, the Court would be placing its imprimatur on a scheme which involves a misuse of the patent privilege and a violation of the antitrust laws. It would aid in the consummation of a conspiracy to expand a patent beyond its legitimate scope.”

In *Mercoid Corp. v. Minneapolis-Honeywell Regulator Company*, 320 U.S. 680, the Supreme Court used the following words:

“. . . The legality of any attempt to bring unpatented goods within the protection of the patent is measured by the anti-trust laws not by the patent law. For the reasons stated in *Mercoid v. Mid-Continent Invest Co.* Supra, the effort here made to control competition in this unpatented device plainly violates the anti-trust laws, even apart from the price-fixing provisions of the license agreements. It follows that petitioner is entitled to be relieved against the consequences of those acts. *It likewise follows that respondent may not obtain from a court of equity any decree which directly or indirectly helps it to subvert the public policy which underlies the grant of its patent.*”

Plaintiffs have not cited a single authority in support of their position, nor have they disputed the propriety of the authorities listed in support of Conclusion of Law XI (Appendix).

The holding of patent misuse was knowingly entered by the Trial Court.

At the conclusion of the trial, when the defendants inquired of the Court if he cared to make a finding on patent misuse, the Court initially answered in the negative on the assumption that a finding of invalidity of the patent in suit would adequately dispose of the controversy [R. 668].

However, after further discussion, the Court stated he would leave it up to the defendants to prepare the findings, thereby indicating that findings on patent misuse should also be included [R. 669].

The plaintiffs have not contested any of Findings of Fact 51-61 on patent misuse (Appendix).

It is clear that the Trial Court properly held that the plaintiffs are guilty of patent misuse regarding the patent in suit, and are therefore not entitled to any of the relief they have requested.

9. The Trial Court Properly Held That the Issue of Infringement Is Moot. (Specification of Error No. 7).

Claim 3 of the patent in suit was properly held to be invalid, and an invalid claim cannot be infringed. *Dresser Industries, Inc. v. Smith-Blair, Inc.*, 322 F. 2d 878, 890 (9 Cir. 1963).

Accordingly, the issue of infringement of claim 3 is moot. *Monogram Mfg. Co. v. F. & H. Mfg. Co.*, 144 F. 2d 412, 414 (9 Cir. 1944).

Conclusion.

Appellees respectfully request this Court to affirm the judgment of the District Court, and hold that United States Letters Patent No. 3,090,431, and each of claims 1, 2, 3 and 4 thereof, is invalid and void, and that the plaintiffs Spring Crest Company, Thomas A. Stubblefield, James F. Brooks, and John H. Hancock, are guilty of patent misuse and not entitled to any of the relief requested.

Dated: Los Angeles, California, September 3, 1968.

Respectfully submitted,

HARRIS, KIECH, RUSSELL & KERN,
CHARLES E. WILLS,
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Of Counsel:

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APPENDIX.

Findings of Fact and Conclusions of Law.

Filed Nov. 14, 1967.

In the United States District Court, Central District of California.

Spring Crest Company, et al. Plaintiffs, v. American Beuti Pleat, Inc., and Orville T. Stall, Defendants. Civil Action No. 65-1272-HW.

This cause having come on for trial before the Honorable Harry C. Westover, and the Court having considered the evidence and testimony and the arguments of counsel, finds the facts to be and states the conclusions of law as follows:

Findings of Fact

1. This is an action for the alleged infringement of Letters Patent No. 3,090,431, issued May 21, 1963. Defendants' set up the defenses of invalidity, non-infringement, indefiniteness, and patent misuse.
2. Defendants' filed a counterclaim for declaratory judgment of invalidity and non-infringement of Letters Patent No. 3,090,431.
3. The cause of action alleged in the Complaint arises under the Patent Laws of the United States, Title 35, United States Code, and jurisdiction of this court is based upon Section 1338 (a) of Title 28, United States Code.
4. The counterclaim arises under the laws of the United States of America, and jurisdiction of this court is based upon Sections 2201 and 1338 (a) of Title 28, United States Code, because there is an actual con-

troversy within its jurisdiction existing between Plaintiffs and Defendants in respect of which said Defendants need a declaration of their rights by this court, which controversy arises over the questions of the validity of Letters Patent No. 3,090,431, and the alleged infringement thereof by Defendants.

5. At all of the times mentioned, the plaintiff Spring Crest Company was and now is a corporation duly organized and existing under and by virtue of the laws of the State of California, with its principal place of business in La Habra, County of Orange, State of California.

6. Plaintiffs, Thomas A. Stubblefield, James F. Brooks, and John H. Hancock, are residents, respectively, of King's Beach, Garden Grove and La Habra, State of California.

7. At all of the times mentioned, the defendant American Beauti Pleat, Inc., was and now is a corporation organized and existing under and by virtue of the laws of the State of California, with its principal place of business in Norwalk, County of Los Angeles, State of California.

8. At all of the times mentioned, the defendant Orville T. Stall was and now is a resident of Whittier, County of Los Angeles, State of California, and president of the defendant American Beauti Pleat, Inc.

9. On May 21, 1963, United States Letters Patent No. 3,090,431 (Plaintiffs' Exhibit 1) issued to the plaintiff, Thomas A. Stubblefield, and to the plaintiffs James F. Brooks and John H. Hancock as assignees of said Thomas A. Stubblefield, on application Serial No. 99,112, filed March 29, 1961, by said Thomas

A. Stubblefield. The plaintiffs Thomas A. Stubblefield, James F. Brooks and John H. Hancock now are and since the issuance thereof have been the owners of the entire right, title and interest in and to said Patent No. 3,090,431.

10. Prior to the commencement of this action, the plaintiffs gave written notice to the defendants of the alleged infringement of Patent No. 3,090,431 by a letter dated April 22, 1965, addressed to Defendants by Gausewitz & Carr, and by a letter dated July 22, 1965, addressed to Defendants by Bernard Kriegel.

11. During the discovery period, the plaintiffs admitted that they were charging the defendants with the infringement of only Claim 3 of Patent No. 3,090,431.

12. The individual defendant, Orville T. Stall, is the developer of the spring pleater as used with drapes, said spring pleater being an elongated strip of flat metal in undulant form with spaced apart holes punched therein (Defendants' Exhibit E). In 1948, he commenced the manufacture and sale of drapery hardware for use in hanging drapes, using the aforementioned spring pleater which is inserted in a top hem or header of the drape, and slotted ceiling track (Defendants' Exhibit D) and glides for supporting the drape. He referred to the hardware which he sold as "Beauti Pleat" drapery hardware.

13. In 1955, Ed Lightenburger obtained the franchise to sell "Beauti Pleat" drapery hardware in the counties of Napa and Sonoma in Northern California. At this time, a metal ceiling glide and pin-on hook was used with the spring pleater, and shortly thereafter the metal glide was replaced with a plastic ceil-

ing glide with a wire eyelet similar to that exemplified by Defendants' Exhibit X. The bottom portion of each hook was inserted through one of the holes formed in the spring pleater and through the drapery material in which the spring pleater was inserted. The glides were supported in the ceiling track.

14. In 1959, while working with the drapery hardware installed at the Kaiser Foundation Hospital in Oakland, California, Mr. Lightenburger developed a "close hook-up" drapery assembly employing the aforementioned conventional ceiling track, spring pleater, and plastic ceiling guides with wire eyelets, but instead of using a pin-on hook, he fastened the eye of the glide to the spring pleater with a "post and gripper" of the type exemplified by Defendants' Exhibit R. This type of assembly was installed by him and his associates in approximately one hundred rooms of the hospital, and the installation operated very satisfactorily. Defendants' Exhibit Z shows one of the rooms in the Kaiser Foundation Hospital provided with the new "close hook-up" construction, and Defendants' Exhibit AA shows one view of the windows of the hospital with the old drapery construction and another view of the windows with the new "Beauti Pleat" hardware provided with the improved "close hook-up" connection.

15. In late 1959 and early 1960, Mr. Lightenburger engaged in further experimentation and made a set of twelve plastic ceiling glides with removable hooks made from brass nails (Defendants' Exhibit S) and set up a test installation in the back of his store using this improved glide construction with the conventional ceiling track and the conventional spring pleater. Each of the hooks made from a brass nail had a flattened or T-

shaped head which could be inserted into an elongated hole while Mr. Lightenburger formed in each plastic glide block with a soldering iron, and turned 90 degrees to hold the hook in the block. This permitted the spring pleater and drapery material to be attached to and disengaged from the plastic glides while the latter were positioned in the ceiling track and without removing them from the track. This test installation worked satisfactorily.

16. In early 1960, in the San Francisco area, Mr. Lightenburger showed the plastic ceiling glides with the removable brass hooks to the defendant Stall. When Mr. Stall returned to Los Angeles, he cut from a flat piece of plastic, a drapery glide with a T-shaped head (Defendants' Exhibit T) which was adapted to be inserted into the slot in the conventional ceiling track and turned 90 degrees to extend cross-wise of the slot. The bottom portion of the handmade glide contained a hole for receiving a "post and gripper" connector.

17. In March, 1960, a group of distributors of "Beauti Pleat" drapery hardware attended a meeting in Las Vegas, Nevada, hosted by the defendant Stall who was the manufacturer of the drapery hardware. The plaintiffs John H. Hancock and James F. Brooks attended the meeting as distributors of "Beauti Pleat" hardware. At the meeting, the defendant Stall displayed and demonstrated the new ceiling glide and removable hook with the T-shaped head developed by Mr. Lightenburger.

18. In the summer of 1960, the plaintiff James F. Brooks and John H. Hancock discussed with the plaintiff Thomas A. Stubblefield, the purported disadvantages of removable glides then in use, including the

Wilcox glide (Defendants' Exhibit W), and shortly thereafter the plaintiff Stubblefield conceived of the drapery glide which is shown and described in the patent in suit, Patent No. 3,090,431.

19. On February 8, 1961, the defendant American Beauti Pleat, Inc. obtained a quotation from E & A Plastic And Metal Products (Defendants' Exhibit AI) for the cost of a die to produce Defendants' accused glide (Plaintiffs' Exhibit 24). This glide is also shown in design patent D-194,869 (Defendants' Exhibit AG) which issued to the defendant Stall on March 26, 1963. On February 9, 1961, the defendant American Beauti Pleat, Inc. paid for one half of the cost of the die with its check No. 3,218.

20. In March, 1961, the die for making Defendants' glide (Plaintiff's Exhibit 24) was sent to the molder for making plastic glides therefrom. On or about April 3, 1961, the defendant American Beauti Pleat, Inc. received an invoice (Defendants' Exhibit AJ) for the cost of said die and on or about April 10, 1961, paid the balance with its check No. 3332.

21. In April, 1961 . . . after the filing of the application which matured into the patent in suit . . . the plaintiff John H. Hancock displayed a specimen of the Stubblefield glide (shown in the patent in suit) to the defendant Stall. This was the first time the defendant Stall saw a Stubblefield glide.

22. The alleged invention of Patent No. 3,090,431 pertains generally to the hardware for use with spring-pleated, traverse draperies, which hardware includes a slotted ceiling track formed of sheet metal and adapted to be fastened to the ceiling above the area to be draped

(Defendants' Exhibit D), an elongated undulant metal spring . . . called a "spring pleater" in the trade . . . adapted to be inserted in the upper hem of the drapery to be hung from the ceiling track and containing spaced apart punched holes (Defendants' Exhibit E), and a plurality of glides which are adapted to be removably fastened to the spring pleater at the punched holes and inserted through the slot in the ceiling track to support the spring pleater and the drapery therefrom as the drapery is traversed between the open and the closed positions.

23. Claim 1 of Patent No. 3,090,431 defines a glide per se. It does not require a T-shaped head portion for insertion into the slot of the ceiling track, but instead, merely requires "glide means provided on said body above said fulcrum portion to slidingly support said body from a drapery track." The claim is directed primarily to the construction of the resilient pin which is pivotally mounted on what is referred to as the fulcrum portion of the glide and which is adapted to be supportingly connected to the drapery.

24. Claim 2 adds to Claim 1, the requirement of a detent protrusion to aid in maintaining the resilient pin in the locked position.

25. Many types of glides and many types of pins for connecting the glides to drapes or curtains have been known and used by others in the United States prior to the date when Thomas A. Stubblefield first conceived of the alleged invention which is the subject matter of Patent No. 3,090,431, and more than one year prior to March 29, 1961, the filing date of the application which matured into said patent. Several of

the different types of prior glides are shown on Pages 18 and 19 of the Marshall-McMurry Co. catalog (Defendants' Exhibit I), and in patents No. 2,320,308 (Defendants' Exhibit K) and No. 568,091 (Defendants' Exhibit M). Several of the different types of prior "pins" for connecting glides to drapes and/or curtains are shown in the aforementioned Silverman Patent No. 2,320,308 (Defendants' Exhibits K) and Lounsbury Patent No. 568,091 (Defendants' Exhibit M), and the plaintiffs admitted that the "post and gripper" connection was known and used prior to the date of the alleged invention of the patent in suit.

26. The Stubblefield glide of the patent in suit has not replaced the prior ceiling glide (Defendants' Exhibit F), the prior button glide (Defendants' Exhibit G), nor the prior Wilcox snap-in glide (Defendants' Exhibit W) for drapery installations. The latter continued to be sold in quantity (Defendants' Exhibit I). The sales of the aforementioned Stubblefield glide by the plaintiff Spring Crest Co. increased continuously from 1961 to 1964, and to a lesser extent from 1964 to 1966, but this was the Plaintiffs' glide and they were "pushing it".

27. The glide defined by each of Claims 1 and 2 of Patent No. 3,090,431, does not constitute an invention over the prior art as aforesaid; the resilient pin attachment means is merely a change in degree for accomplishing the same result. The construction defined by each of Claims 1 and 2, taken as a whole, would have been obvious at the time the alleged invention was made in 1960 to a person having ordinary skill in the drapery hardware art.

28. Claim 3 of Patent No. 3,090,431 is directed to the drapery-supporting assembly which includes the ceiling track, the spring pleater, and the glides, and requires:

- (a) an elongated undulant spring disposed in a horizontal plane and adapted to be mounted along the upper hem of a drapery to cause said drapery to assume a corresponding undulant shape;
- (b) an elongated drapery track having two opposed track portions separated by a gap of predetermined width, said track portions and said gap being disposed generally in a horizontal plane and above said spring;
- (c) a plurality of glide and connector means mounted at spaced points along said spring to slidably support the undulations of said spring from said track as said spring is extended and shortened during opening and closing of the drapery, each of said glide and connector means including
 - (1) an elongated shoe the width of which in a horizontal plane is less than said predetermined gap width whereby said shoes may be passed upwardly and downwardly through said gap when in positions in substantial alignment therewith,
 - (2) the length of each of said shoes in a horizontal plane being substantially greater than said predetermined gap width whereby the end portions of said shoes will remain slidably supported on said opposed track portions when said shoes are in various

positions substantially transverse to said gap,

- (3) said shoes being disposed substantially transverse to said gap in supported relationship on said opposed track portions,
- (4) each of said glide and connector means further including a connector portion connected with said shoe intermediate said end portions thereof,
- (5) the connection between said connector portion and said shoe being adapted to prevent rotation of said connector portion relative to said shoe about a generally vertical axis,
- (6) said connector portion extending downwardly through said gap and being sufficiently small in horizontal dimension that said shoe may rotate about a vertical axis between said position in substantial alignment with said gap and said positions substantially transverse thereto without effecting spreading apart of said opposed track portions,
- (7) each of said glide and connector means further including means to connect said connector portion to said spring and to prevent substantial rotation of said connector portion relative to said spring about a generally vertical axis, said last-named means being so related to said connector portion, to said shoe and to said spring that said shoe will remain in said positions substantially transverse to said track despite movement of

the undulations of said spring during normal extending and shortening of said spring to open and close the drapery;

- (8) each of said glide and connector means and the associated undulation of said spring being adapted to be manually twisted about a vertical axis to bring the associated shoe into substantial alignment with said gap for passing of said shoe through said gap during assembly or disassembly of said glide and connector means with said track.

29. Claim 4 adds to the construction defined by Claim 3, the further requirement that one of the glide and connector means is connected to each side of each undulation of said spring along the axis of said spring, and the spring is a flat metal strip the minor dimension of which is disposed in a vertical plane.

30. The plaintiffs have admitted that it was old prior to the date when Thomas A. Stubblefield made the alleged invention which is the subject matter of Claim 3 of patent No. 3,090,431, to use in this country a drapery-supporting assembly which comprised:

- (a) an elongated undulant spring substantially as shown and described in patent No. 3,090,431, disposed in a horizontal plane and adapted to be mounted along the upper hem of a drapery to cause said drapery to assume a corresponding undulant shape,
- (b) an elongated drapery track substantially as shown and described in patent No. 3,090,431

having two opposed track portions separated by a gap of predetermined width, said track portions and said gap being disposed generally in a horizontal plane and above said spring, and

- (c) a plurality of button glides (substantially the same as Spring Crest Company No. 400) mounted at spaced points along said spring with post and gripper connectors to slidably support the undulations of said spring from said track as said spring is extended and shortened during opening and closing of the drapery.

31. The plaintiffs have admitted that it was old prior to the date when Thomas A. Stubblefield made the alleged invention which is the subject matter of Claim 3 of patent No. 3,090,431, to use in this country a drapery-supporting assembly which comprised:

- (a) an elongated undulant spring substantially as shown and described in patent No. 3,090,431, disposed in a horizontal plane and adapted to be mounted along the upper hem of a drapery to cause said drapery to assume a corresponding undulant shape,
- (b) an elongated drapery track substantially as shown and described in patent No. 3,090,431 having two opposed track portions separated by a gap being of predetermined width, said track portions and said gap being disposed generally in a horizontal plane and above said spring, and
- (c) a plurality of ceiling glides (substantially the same as Spring Crest Company No. 420) mounted at spaced points along said spring with post and gripper connectors to slidably support

the undulations of said spring from said track as said spring is extended and shortened during opening and closing of the drapery.

32. Prior to the date when Thomas A. Stubblefield first conceived the alleged invention which is the subject matter of the patent in suit, various types of glides were used by others in the United States for supporting the conventional spring pleater (Defendants' Exhibit E) from conventional ceiling tracks (Defendants' Exhibit D) with the spring pleater inserted in the top hem or header of the drapery, the glides being fastened to the spring pleater and the drapery by means of the post and gripper connection shown in Defendants' Exhibits R and W. These previously known glides include the ceiling glide (Defendants' Exhibit F), the button glide (Defendants' Exhibit G), and the Wilcox glide (Defendants' Exhibit W). The Wilcox glide (Defendants Exhibit W) is designed so that the upper portions thereof can be squeezed together and the glide inserted into the slot in the track without sliding it in from the end of the track. In like manner, button glides have been "clipped", as represented by Defendants' Exhibit H, and tilted and inserted into the slot in the track to replace broken glides.

33. The plaintiffs assert that the assembly defined by Claim 3 is a novel combination because it permits the spring pleater and the glides (together with the drapery mounted on the spring pleater) to be inserted into and removed from the track by progressively twisting a section of the spring pleater and the glide fastened thereto, so that the T-shape head of the glide turns approximately 90 degrees, whereby the head can be passed through the slot in the ceiling track. Also,

that in use, the spring pleater maintains the shoes or T-shaped heads of the glides substantially transverse to the track as the drapery is opened and closed.

34. Silverman Patent No. 2,320,308 (Defendants' Exhibits K, L, and V) which issued May 25, 1943, is prior art to the patent in suit because the invention disclosed therein was patented and described in a printed publication in the United States more than one year prior to March 29, 1961, the filing date of the application which matured into the patent in suit.

35. Silverman Patent No. 2,320,308 was not cited as a reference by the examiner during the prosecution of the application which matured into the patent in suit.

36. Silverman Patent No. 2,320,308 (Defendants' Exhibits K and V) states that the invention described therein relates particularly to the hooks by which the curtain is movably and removably suspended [from the track], and twelve of the fourteen claims in the patent (i.e. all of the claims except claims 3 and 13) are directed to the hook or glide per se.

37. The Silverman hook or glide includes a T-shaped head 21 (Figs. 1 & 2) which is designed to be inserted through the slot 16 and turned 90° so as to extend transversely of the slot and thereby support the drape or curtain 31 from the track 15.

38. Silverman Patent No. 2,320,308 (Defendants' exhibits K and V) shows and describes a hook or glide 14 (Figs. 1 & 4) which is strikingly similar in construction to Defendants' accused glide (Plaintiffs' Exhibit 24) in that it also includes a T-shaped head which is adapted to be inserted through the slot in a track, and

a bifurcated lower portion which is adapted to receive and support a spring pleater and drapery between the depending legs thereof.

39. Defendants' Exhibit AM is a demonstrative, operative assembly of a length of conventional ceiling track and a length of conventional spring pleater, provided with hand-made models of the Silverman form of glide or hook fastened to the spring pleater at the same holes where the ceiling glides, button glides, or Wilcox glides would be fastened. Some are fastened to the spring pleater with the same type of pin shown in Fig. 4 of patent No. 2,320,308 and some are fastened with the "post and gripper". The T-shaped heads of the models of the Silverman glides are rotated 90 degrees from the position shown in the Silverman Patent.

40. The aforementioned operative assembly containing the hand-made models of the Silverman glide (Defendants' Exhibit AM), contains elements which are the full equivalent of the elements specified in the alleged combination defined by each of claims 3 and 4 of the patent in suit, and the elements of said operative assembly operate in the same manner as the elements in the alleged combination of claims 3 and 4, to achieve the same result.

41. The spring pleater in the operative assembly, Defendants' exhibit AM, maintains the hand-made models of the Silverman glides with the T-shaped heads substantially transverse to the track in the same manner in which the same spring pleater maintains the Stubblefield glides with their T-shaped heads substantially transverse to the track, as defined in claim 3.

42. Neither claim 3 nor claim 4 defines any invention over the assembly of ceiling track, spring pleater,

and glides which were known and used by others in the drapery field in this country more than one year prior to March 29, 1961, the filing date of the application which matured into the patent in suit, and prior to the summer of 1960 when Mr. Stubblefield first conceived the alleged invention of the patent in suit. At the time the alleged invention defined by each of claims 3 and 4 was made, it would have been obvious to a person having ordinary skill in the drapery art to substitute the Silverman glide of patent No. 2,320,308, with the head thereof turned 90 degrees, for and in place of previously known glides used with the same previously known ceiling track and previously known spring pleater. At the time the alleged invention defined by claims 3 and 4 was made, the subject matter thereof as a whole would have been obvious to a person having ordinary skill in the drapery art.

43. Lounsbury Patent No. 568,091 (Defendants' Exhibits M, N, and V) which issued September 22, 1896, is prior art to the patent in suit because the invention disclosed therein was patented and described in a printed publication in the United States more than one year prior to March 29, 1961, the filing date of the application which matured into the patent in suit.

44. Lounsbury Patent No. 568,091 was not cited as a reference by the Examiner in the Patent Office during the prosecution of the application which matured into the patent in suit.

45. Lounsbury Patent No. 568,091 shows and describes a T-headed runner or glide I which was designed to be passed upwardly through the slot in the track and turned 90° so as to extend transversely of the slot and

support the curtain or drape from the track. As shown in Fig. 1 of the Lounsbury patent, the shank of the runner or glide is provided with an eyelet of the same type used with the conventional ceiling glide (Defendants' Exhibits F and S) for receiving a "post and gripper" connector.

46. Defendants' Exhibit AO is a demonstrative, operative assembly of a length of conventional ceiling track and a length of conventional spring pleater, provided with hand-made models of the Lounsbury form of glide or runner as shown in Fig. 1 of Patent No. 568,091, fastened to the spring pleater with "post and gripper" connectors at the same holes in the spring pleater where the ceiling glides, button glides, or Wilcox glides would be fastened.

47. The aforementioned operative assembly containing the hand-made models of the Lounsbury glide (Defendants' Exhibit AO), contains elements which are the full equivalent of the elements specified in the alleged combination defined by each of claims 3 and 4 of the patent in suit, and the elements of said operative assembly operate in the same manner as the elements in the alleged combination of claims 3 and 4, to achieve the same result.

48. The spring pleater in the operative assembly (Defendants' Exhibits AO) maintains the hand-made models of the Lounsbury glides with the T-shaped heads substantially transverse to the track in the same manner in which the same spring maintains the Stubblefield glides with their T-shaped heads substantially transverse to the track, as defined in claim 3.

49. Neither claim 3 nor claim 4 defines any invention over the assembly of ceiling track, spring

pleater, and glides which were known and used by others in the drapery field in this country more than one year prior to March 29, 1961, the filing date of the application which matured into the patent in suit, and prior to the summer of 1960 when Mr. Stubblefield first conceived the alleged invention of the patent in suit. At the time the alleged invention defined by each of claims 3 and 4 was made, it would have been obvious to a person having ordinary skill in the drapery art to substitute the Lounsbury glide of Patent No. 568,091 for and in place of previously known glides used with the same previously known ceiling track and previously known spring pleater. At the time the alleged invention defined by claims 3 and 4 was made the subject matter thereof as a whole would have been obvious to a person having ordinary skill in the drapery art.

50. Silverman Patent No. 2,320,308 (Defendants' Exhibit L) and Lounsbury Patent No. 568,091 (Defendants' Exhibit M) are more pertinent than the patents cited by the Examiner during the prosecution of the application which matured into the patent in suit.

51. Defendants' Exhibit P is a photocopy of an "Agreement" entered into by and among Spring Crest Company, Thomas A. Stubblefield, James F. Brooks and John H. Hancock, the plaintiffs herein, during July, 1963.

52. Defendants' Exhibit Q is a photocopy of a portion of a catalog of Spring Crest Company, and lists and illustrates various of the drapery hardware and/or drapery hardware accessory items listed in Schedule A of the Agreement, Defendants' Exhibit P.

53. The Agreement, Defendants' Exhibit P, was in effect on August 23, 1965, the filing date of the Complaint in the present civil action, and it was continuously in effect during the period August 23, 1965, to and including July 7, 1966, the date of the taking of Mr. Stubblefield's deposition.

54. There is no other patent or patent application included in the Agreement, Defendants' Exhibit P, other than the patents and applications (and the patents which matured therefrom) listed on Pages 2 and 3 of said Agreement.

55. The only patents and applications included in the Agreement, Defendants' exhibit P, on August 23, 1965, when the Complaint was filed in the present legal action are:

- (a) Patent No. 3,090,431,
- (b) Patent No. 3,119,443 which matured from application Serial No. 182,063, and
- (c) Application Serial No. 244,167, now Patent No. 3,197,990.

56. None of the following listed items contained in Schedule A of the Agreement, Defendants' exhibit P, considered singularly or in combination with other elements, is comprehended within or manufactured in accordance with a process or machine covered by a claim of any of patents No. 3,090,431, No. 3,119,443 and No. 3,197,990, or shown or described in any existing patent or pending patent application owned in whole or in part by any of the plaintiffs subsequent to July 1, 1963:

- (a) drop housing insert, No. 225-255,
- (b) return plate No. 270,

- (c) top lock, No. 290,
- (d) master carrier, No. 300,
- (e) master carrier converter, No. 340,
- (f) spacer, No. 450,
- (g) spacer, No. 460,
- (h) track cap, Nos. 840 and 850,
- (i) stirrups, No. 860,
- (j) wall bracket, Nos. 880 and 890,
- (k) wall bracket double, No. 895 and
- (l) threader, No. 960.

57. The "pin on glide" No. 430, listed in Schedule A of the Agreement, Defendants" exhibit P, is the combination glide and pin element described and claimed in patent No. 3,090,431, the patent in suit.

58. Paragraph 6 of the Agreement, Defendants' exhibit P, provides, *inter alia*:

"Spring Crest hereby agrees to pay to each of Brooks and Hancock a royalty of two per cent (2%), and to Stubblefield a royalty of three per cent (3%), of the gross sales price (less volume discounts and other legitimate trade discounts) received by Spring Crest relative to all drapery hardware and drapery hardware accessories specified on the attached Schedule A, or on any modified schedule (specifying all parts by name and number) signed hereafter by all parties to this Agreement."

59. Subsequent to August 23, 1965, and during the pendency of this action, one or more of the plaintiffs, Thomas A. Stubblefield, James F. Brooks, and John H. Hancock, received a royalty payment from the plaintiff Spring Crest Company under the Agreement, Defend-

ants' exhibit P, based on the sale of the following listed items in Schedule A:

- (a) drop housing insert, No. 225-255,
- (b) return plate No. 270,
- (c) top lock, No. 290,
- (d) master carrier, No. 300,
- (e) master carrier converter, No. 340,
- (f) spacer, No. 450,
- (g) spacer, No. 460,
- (h) track caps, Nos. 840 and 850,
- (i) stirrups, No. 860,
- (j) wall bracket, Nos. 880 and 890,
- (k) wall bracket double, No. 895 and
- (l) threader, No. 960.

60. Paragraph 9 of the Agreement, Defendants' exhibit P, provides, inter alia:

"Stubblefield hereby agrees that Spring Crest has the exclusive right to manufacture, use and sell all articles specified on the attached Schedule A or any modification thereof, and specifically agrees not to license or induce any organization other than Spring Crest to manufacture, use or sell any of such items, and further specifically agrees not to engage in the manufacture, use or sale of any of such items except through Spring Crest."

61. Because of the aforementioned provision of paragraph 9 in the Agreement, Defendants' exhibit P, the plaintiff Thomas A. Stubblefield refrained from engaging in the manufacture, use or sale of the unpatented items listed in Schedule A of the Agreement, Defendants' exhibit P, and refrained from inducing any organization other than Spring Crest to manufacture, use or sell any of such items.

Conclusions of Law

I.

This Court has jurisdiction over the parties and over the subject matter of the Complaint and the Counter-claim, and venue is proper.

II.

United States Letters Patent No. 3,090,431 issued on May 21, 1963, to the plaintiffs Thomas A. Stubblefield, James F. Brooks and John H. Hancock, and said plaintiffs now are and at all times have been the owners of all right, title and interest therein.

III.

The ultimate question of patent validity is one of law. *Graham v. John Deere Co.*, 383 U.S. 1, 86 S.Ct. 684, 15 L.Ed. 2d 545; *Bentley v. Sunset House Distributing Corp.*, 359 F.2d 140 (9 Cir. 1966).

IV.

Claim 1 of Patent No. 3,090,431 is invalid and void because the differences between the subject matter covered thereby and the prior art are such that said subject matter as a whole would have been obvious at the time the alleged invention was made to a person having ordinary skill in the drapery art. 35 U.S.C. 103; *Graham v. John Deere Co.*, 383 U.S. 1, 86 S.Ct. 684, 15 L.Ed. 2d 545.

V.

Claim 2 of Patent No. 3,090,431 is invalid and void for the same reasons that Claim 1 is invalid and void.

VI.

Claim 3 of Patent No. 3,090,431 is invalid and void because the differences between the subject matter

covered thereby and the prior art are such that said subject matter as a whole would have been obvious at the time the alleged invention was made to a person having ordinary skill in the drapery art. 35 U.S.C. 103; *Graham v. John Deere Co.*, 383 U.S. 1, 86 S.Ct. 684, 15 L.Ed. 2d 545.

VII.

Claim 3 of Patent No. 3,090,431 is also invalid and void because it defines an aggregation or accumulation of old parts or elements, which, in the aggregation, do not perform or produce any new or different function or operation upon being brought together. The whole does not exceed the sum of the parts. *Great A. & P. Tea Co. v. Supermarket Equipment Corporation*, 340 U.S. 147, 71 S.Ct. 127, 95 L.Ed. 162, 163; *Bentley v. Sunset House Distributing Corp.*, 359 F.2d 140 (9 Cir. 1966).

VIII.

Claim 4 of Patent No. 3,090,431 is invalid and void for the same reasons that Claim 3 is invalid and void.

IX.

The statutory presumption of the validity of Patent No. 3,090,431 has been overcome. Where, as here, the most pertinent prior art was not considered by the examiner in the Patent Office during the prosecution of the application which matured into said patent, the presumption is largely dissipated. *Jacuzzi Bros. v. Berkeley Pump Co.*, 191 F.2d 632, 634 (9 Cir. 1951).

X.

All of the claims of Patent No. 3,090,431 being invalid and void, the issue of infringement is moot.

Monogram Mfg. Co. v. F. & H. Mfg. Co., 144 F.2d 412, 414 (9 Cir. 1944).

XI.

The plaintiffs Spring Crest Company, Thomas A. Stubblefield, James F. Brooks, and John H. Hancock are guilty of patent misuse regarding Patent No. 3,090,431, commencing with a date prior to the filing of the Complaint herein on August 23, 1965, and continuing through the trial of this action, and are therefore not entitled to any of the relief requested. *Mercoid Corp. v. Mid-Continent Invest. Co.*, 320 U.S. 661, 64 S.Ct. 268, 88 L.Ed. 376; *Mercoid Corp. v. Minneapolis-Honeywell Regulator Company*, 320 U.S. 680, 64 S.Ct. 278, 88 L.Ed. 396; rehearing denied 321 U.S. 802, 64 S.Ct. 526, 88 L.Ed. 1089; *Vitamin Technologists v. Wisconsin Alumni Research Foundation* (9 Cir. 1945), 146 F.2d 941, 945, cert. denied 325 U.S. 876, 65 S.Ct. 1554, 89 L.Ed. 1994, rehearing denied 326 U.S. 804, 66 S.Ct. 12, 19 L.Ed. 490.

XII.

The defendants American Beauti Pleat, Inc., and Orville T. Stall are entitled to recover of the plaintiffs their taxable costs and disbursements and to have execution therefor.

Judgment shall be entered in accordance with the above Findings of Fact and Conclusions of Law.

Dated: Nov. 14, 1967.

/s/ Harry C. Westover
United States District Judge

Submitted by:

Harris, Kiech, Russell & Kern

By /s/ Chas. E. Wills

Attorneys for Defendants

Judgment.

Filed: Nov. 14, 1967

Entered: Nov. 14, 1967

In the United States District Court, Central District of California.

Spring Crest Company, et al. Plaintiffs, v. American Beauti Pleat, Inc., and Orville T. Stall, Defendants. Civil Action No. 65-1272-HW.

This cause having been heard by the Honorable Harry C. Westover, and the Court being fully advised and having made its Findings of Fact and stated its Conclusions of Law,

IT IS ORDERED, ADJUDGED AND DECREED that:

1.

Plaintiffs' Complaint is dismissed with prejudice.

2.

United States Letters Patent No. 3,090,431, and each of Claims 1, 2, 3 and 4 thereof, is invalid and void.

3.

The defendants American Beauti Pleat, Inc., and Orville T. Stall shall have and recover of the plaintiffs Spring Crest Company, Thomas A. Stubblefield, James F. Brooks, and John H. Hancock, the taxable costs and disbursements of said defendants in the sum \$..... and have execution therefor.

Dated: Nov. 14, 1967.

/s/ Harry C. Westover
United States District Judge

Submitted By:

Harris, Kiech, Russell & Kern
By /s/ Chas. E. Wills,
Attorneys for Defendants.

